

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 14840 01 OF 05 192008Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01
SS-15 SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05
DODE-00 FPC-01 H-01 INT-05 L-03 NSC-05 PM-04
OES-07 STR-04 ACDA-07 NSCE-00 OIC-02 /139 W
-----192048Z 090776 /64

O 191955Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6732

LIMITED OFFICIAL USE SECTION 01 OF 05 OECD PARIS 14840

E.O. 11652: N/A
TAGS: OECD, ECON, EAID, ENRG, ETRD
SUBJECT: MISSION'S POLICY PROPOSALS FOR OECD MINIS-
TERIAL MEETING JUNE 23-24

1. IN ANOTHER MESSAGE WE REPORT THE FIRST INFORMAL
DISCUSSIONS AMONG HEADS OF DELEGATIONS ON THE SUBSTANCE
AND SCENARIO OF THE MINISTERIAL MEETING TO BE ATTENDED
BY SECRETARIES VANCE AND BLUMENTHAL. A CLEAR CONSENSUS
EXISTS THAT THIS MEETING SHOULD SEEK TO GIVE MORE
SPECIFIC AND INSTITUTIONAL FORM TO THE RESULTS ACHIEVED
AT THE DOWNING STREET SUMMIT.

2. THE SECRETARIAT IS NOW PREPARING TO ISSUE PAPERS
ON THE MAIN AGENDA ITEMS AND THESE AND OTHER PREPARA-
TIONS WILL BE DISCUSSED HERE ALMOST CONTINUALLY UNTIL
THE MEETING ITSELF.

3. IN THIS MESSAGE WE SUBMIT POLICY PROPOSALS FOCUSED
ON WHAT THE MINISTERIAL MEETING SHOULD ACHIEVE SUB-
STANTIVELY. WE DO NOT DWELL ON THE ISSUE OF THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 14840 01 OF 05 192008Z

INSTRUMENTS TO BE EMPLOYED. THESE SHOULD BE DETERMINED
BY THE SUBSTANCE TO BE ACHIEVED. OUR TENTATIVE THINKING
IS TO HAVE A DECLARATION ON RELATIONS WITH LDCS, A
RECOMMENDATION (IN THE TERMS OF THE OECD CONVENTION)
ON MACRO-ECONOMIC POLICY AND POSSIBLY A RESOLUTION
(I.E. A PROCEDURAL DECISION) ON A YOUTH EMPLOYMENT
CONFERENCE. OTHER ACTIONS, SUCH AS RENEWAL OF TRADE

PLEDGE, COULD BE RECORDED IN THE MINUTES OF THE MEETING AND REPORTED IN THE COMMUNIQUE. HOWEVER, WE MAY PROPOSE AN ALTERNATIVE ARRANGEMENT IN THE LIGHT OF WASHINGTON'S REACTIONS TO THE FOLLOWING PROPOSALS ON THE SUBSTANCE.

4. WE WILL NEED GUIDANCE FROM WASHINGTON AS SOON AS POSSIBLE TO ENABLE US TO HAVE TIMELY EFFECT IN THE FORTHCOMING DISCUSSIONS WITH THE SECRETARIAT AND OTHER DELEGATIONS. THE NEXT HEADS OF DELEGATION DISCUSSION WILL BE ON MAY 23.

5. OUR PROPOSALS FOLLOW (IN THE ORDER SUBJECTS WERE TAKEN UP IN THE SUMMIT DECLARATION; THE ORDER OF THE OECD MINISTERIAL MEETING IS SET FORTH IN OUR REPORT ON THE FIRST DISCUSSIONS ON AGENDA AND SCENARIO):

I. THE COORDINATION OF MACRO-ECONOMIC POLICIES

THE DOWNING STREET SUMMIT UNDERLINED THE URGENT NEED TO INCREASE EMPLOYMENT WHILE CONTINUING TO REDUCE INFLATION AND MAKE PROGRESS TOWARD ADJUSTMENT TO A SUSTAINABLE PATTERN OF INTERNATIONAL PAYMENTS. TO THIS END, THE STRONGER COUNTRIES COMMITTED THEMSELVES TO GROWTH TARGETS AND THE WEAKER COUNTRIES TO STABILIZATION POLICIES. THE OECD MINISTERIAL SHOULD BE USED TO BROADEN THE CONSENSUS ACHIEVED AT THE SUMMIT TO THE OECD MEMBERSHIP AS A WHOLE AND TO HELP IMPLEMENT THAT CONSENSUS, WITH EMPHASIS ON MONITORING PROGRESS OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 14840 01 OF 05 192008Z

MACRO-ECONOMIC POLICY AND ON SPECIAL ACTION TO REDUCE UNEMPLOYMENT.

THE SUMMIT CONSENSUS WAS VERY MUCH IN LINE WITH THE STRATEGY FOR NON-INFLATIONARY GROWTH ADOPTED AT THE JUNE 1976 MINISTERIAL MEETING. THIS STRATEGY ASSERTED THAT THE STEADY GROWTH NECESSARY TO RESTORE FULL EMPLOYMENT WOULD REQUIRE PROGRESS TOWARD REDUCING INFLATION. THE BASIC DIFFERENCE APPEARS TO BE THE INCREASED EMPHASIS ON THE NEED TO CREATE JOBS AND THIS SHOULD BE REGISTERED AT THIS YEAR'S MINISTERIAL BECAUSE OF THE POLITICAL IMPORTANCE ALL THE MEMBER COUNTRIES ATTACH TO THE PROBLEM. LAST YEAR, THE MINISTERS CONSIDERED THAT IF POLICIES CONSISTENT WITH THE STRATEGY WERE ADOPTED, THE OECD AREA COULD ACHIEVE AN AVERAGE GNP GROWTH RATE OF 5# PERCENT BETWEEN 1976 AND 1980. AT THE FORTHCOMING MEETING, THE MINISTERS WILL HAVE AVAILABLE THE OECD SECRETARIAT'S NEW PROJECTIONS FOR GROWTH RATES THROUGH THE MIDDLE OF 1978 WHICH WILL

HAVE BEEN VETTED BY THE HIGH-LEVEL ECONOMIC POLICY
COMMITTEE ON JUNE 14-15. WHILE WE DO NOT KNOW WHAT

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 14840 02 OF 05 192015Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01
SS-15 SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05
DODE-00 FPC-01 H-01 INT-05 L-03 NSC-05 PM-04
OES-07 STR-04 ACDA-07 NSCE-00 OIC-02 /139 W
-----192049Z 090953 /64

O 191955Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6733

LIMITED OFFICIAL USE SECTION 02 OF 05 OECD PARIS 14840

SPECIFIC NUMBERS WILL EMERGE, IT IS HIGHLY UNLIKELY
THAT THEY WILL SHOW THAT GERMANY AND JAPAN ARE MEETING
THE TARGETS SUBSCRIBED AT THE SUMMIT. THERE IS LITTLE
DOUBT THAT THE MINISTERS WILL BE FACED WITH THE CLEAR
EXPECTATION THAT THE OECD AREA'S GROWTH RATE WILL
CONTINUE OVER THE NEXT TWELVE MONTHS TO BE BELOW THE
AVERAGE GROWTH PATH IMPLIED BY THE STRATEGY.

WITH THE ABOVE BACKGROUND, THE MINISTERIAL SHOULD TAKE
THE FOLLOWING ACTIONS:

-- ENDORSE A CONSENSUS ON MACRO-ECONOMIC POLICY
IN THE FRAMEWORK OF THE OECD MEDIUM-TERM STRATEGY,
CONSISTENT WITH THAT REACHED AT THE SUMMIT; THE
NEW EMPHASIS SHOULD BE ON JOB CREATION WHILE CON-
TINUING TO FIGHT INFLATION.

-- RECOGNIZING THAT OECD AREA GROWTH HAS BEEN
BELOW THE 5# PERCENT GROWTH PATH IMPLIED BY THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 14840 02 OF 05 192015Z

STRATEGY, ADOPT A COLLECTIVE OECD TARGET OF ACHIEVING 5 TO 5-1/2 PERCENT AVERAGE GROWTH FOR THE OECD AREA. THE TIME FRAME FOR ACHIEVING THIS TARGET COULD BE EXPRESSED ALONG THE LINES OF EITHER OF THE FOLLOWING OPTIONS:

(A) "AS QUICKLY AS POSSIBLE" I.E. NO TIME DEADLINE. STRONG COUNTRIES SHOULD AIM FOR MAXIMUM GROWTH CONSISTENT WITH THE OBJECTIVE OF AVOIDING REKINDLING INFLATION, AND, IF NECESSARY, SHOULD TAKE FURTHER ACTION TO ACHIEVE THEIR GROWTH TARGETS. WEAK COUNTRIES SHOULD PERSIST IN THEIR STABILIZATION EFFORTS. THIS OPTION HAS THE ADVANTAGE OF BEING IMPRECISE IN TERMS OF COMMITMENT AND THEREFORE MORE LIKELY TO BE ACCEPTED BY THE MEMBERS, BUT THE DISADVANTAGE OF BEING SUBJECT TO PUBLIC CRITICISM ON THE SAME GROUNDS.

(B) "BY THE END OF 1978". POLICIES REQUIRED TO IMPLEMENT THIS TARGET WOULD PROBABLY INVOLVE RAISING THE EUROPEAN GROWTH RATE BY ABOUT ONE PERCENT, I.E. MAINLY FOR THE MAJORS (AND ESPECIALLY GERMANY), WHICH MAY BE REQUIRED TO HALT THE RISE IN UNEMPLOYMENT IN NORTHERN AND CENTRAL EUROPE. THE TARGET WOULD ONLY BE CREDIBLE IF IT IS UNDERSTOOD TO MEAN COMMITMENT IN MID-1977 TO COORDINATED POLICIES WHICH WHILE MAINTAINING AN APPROPRIATE MEASURE OF POLICY DIFFERENTIATION AMONG COUNTRIES, WOULD AIM AT A SOMEWHAT HIGHER OVERALL LEVEL OF ECONOMIC ACTIVITY.

-- WITH RESPECT TO SETTING DISAGGREGATED TARGETS, ADOPT ONE OR A COMBINATION OF THE FOLLOWING OPTIONS:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 14840 02 OF 05 192015Z

(A) ANNOUNCE GROWTH TARGETS AND, TO THE EXTENT THEY EXIST, STABILIZATION TARGETS FOR THE MAJOR COUNTRIES AS PER THE SUMMIT CONSENSUS. THE CRITICAL QUESTION WITH RESPECT TO THIS OPTION AS WELL AS THE OTHERS IS HOW TO DEAL WITH THE LOW GERMAN GROWTH PERFORMANCE WHICH

WILL BE AT ISSUE BOTH AT EPC AND AT THE
MINISTERIAL MEETING.

(B) PUBLICLY (OR PRIVATELY) ADOPT INDIVIDUAL
TARGETS FOR 1978. THIS OPTION MAY BE EASIER
FOR THE GERMANS TO ADOPT BECAUSE OF THE LONGER
TIME HORIZON, BUT IT MAY BE DIFFICULT TO AGREE
ON AN OVERALL DIFFERENTIATED PATTERN OF
GROWTH AND STABILIZATION POLICIES BY END JUNE.

(C) DIRECT THE EPC TO REACH AGREEMENT ON GROWTH
AND STABILIZATION TARGETS FOR COUNTRIES AND/OR
GROUPS OF COUNTRIES. THIS OPTION COULD BE A
FALL-BACK ALLOWING FOR MORE CAREFUL PREPARATION
BUT WOULD INVOLVE POSTPONEMENT OF ADOPTION OF
CREDIBLE POLICY COMMITMENTS UNTIL THE FALL OF
1977 WITH THE IMPACT DELAYED UNTIL MID-1978.

-- IN THE CASE OF ALL OPTIONS, DIRECT THE ORGANIZA-
TION TO MONITOR PROGRESS TOWARDS ACHIEVING THE
TARGETS AND TO ADAPT THEM PERIODICALLY IN THE
FRAMEWORK OF THE MEDIUM-TERM STRATEGY. THIS WOULD

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 14840 03 OF 05 192015Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01
SS-15 SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05
DODE-00 FPC-01 H-01 INT-05 L-03 NSC-05 PM-04
OES-07 STR-04 ACDA-07 NSCE-00 OIC-02 /139 W
-----192050Z 090871 /64

O 191955Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6734

LIMITED OFFICIAL USE SECTION 03 OF 05 OECD PARIS 14840

ENCOURAGE A PRACTICE OF "ROLLING TARGETRY" WITH A FIRMER LINK BETWEEN THE SHORT-TERM AND THE MEDIUM-TERM POLICY WORK OF THE ORGANIZATION.

-- CALL ON COUNTRIES TO SET THEIR RESPECTIVE GROWTH AND STABILIZATION POLICIES CONSISTENTLY WITH PROGRESS TOWARD A SUSTAINABLE PATTERN OF PAYMENTS BALANCES.

-- EMPHASIZE THE URGENCY OF DEALING WITH STRUCTURAL UNEMPLOYMENT AND SPECIFICALLY CALL FOR AN OECD CONFERENCE ON YOUTH UNEMPLOYMENT TO BE ATTENDED BY GOVERNMENTS, LABOR AND MANAGEMENT REPRESENTATIVES TO DEVISE EFFECTIVE MEASURES TO REDUCE UNEMPLOYMENT AMONG YOUNG PEOPLE, AS RECOMMENDED TO THE PRESIDENT BY SENATOR HUMPHREY AND EIGHTEEN OTHER SENATORS.

-- STATE THAT THROUGH A COMBINATION OF STEADY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 14840 03 OF 05 192015Z

GROWTH AND SELECTIVE POLICIES, THE OECD COUNTRIES AIM TO STIMULATE INVESTMENT AND TO ACHIEVE FULL EMPLOYMENT BY THE EARLY 1980'S.

-- ENDORSE A SET OF POLICY GUIDELINES EMBODYING THE PRINCIPAL RECOMMENDATIONS OF THE MCCracken REPORT. (THE GUIDELINES WOULD BE PREPARED BEFOREHAND BY THE SECRETARIAT.)

II. BALANCE OF PAYMENTS FINANCING

THE SECRETARY-GENERAL RAISED THIS AS AN ISSUE FOR POSSIBLE DISCUSSION AT THE MINISTERIAL MEETING RELATED TO BOTH INTRA-OECD AND OECD/LDC RELATIONS, ON WHICH THERE MIGHT BE A CLEARER VIEW BY THE TIME OF THE MEETING. WE WOULD ANTICIPATE THAT THE U.S. WILL BE SUBJECTED TO CONSIDERABLE PRESSURE AT THE MINISTERIAL ON ITS FAILURE TO RATIFY THE OECD FINANCIAL SUPPORT FUND (FSF), UNLESS THE U.S. CAN MAKE CONVINCING CASE THAT IMF RESOURCES WILL BE AUGMENTED SUFFICIENTLY TO PROVIDE ADEQUATE SUBSTITUTE FOR FSF AND OBTAIN SUPPORT FROM OTHER LARGE COUNTRIES FOR THIS VIEW. (U.S. SHOULD SEEK TO ARRANGE SUCH CONSENSUS AMONG THE LARGE COUNTRIES PRIVATELY BEFORE THE MEETING.)

III. TRADE POLICY

MINISTERS ARE EXPECTED TO RENEW THE TRADE PLEDGE, IN A CONTEXT WHICH HOPEFULLY WILL STRENGTHEN ITS RATIONALE

AND SCOPE. WE HAVE NO NEW POLICY SUGGESTIONS ON THIS POINT. MINISTERS MIGHT ALSO BE ASKED TO:

-- ENCOURAGE COOPERATION UNDER LIBERAL PRINCIPLES IN TROUBLED SECTORS CITING THE AD HOC STEEL GROUP ESTABLISHED AT U.S. REQUEST.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 14840 03 OF 05 192015Z

-- DIRECT THE OECD'S TRADE COMMITTEE TO LAUNCH WORK ON THE PROBLEM OF ADJUSTMENT TO CHANGES IN COMPARATIVE ADVANTAGE, WITH THE AIM OF DEVELOPING CONSENSUS ON THE NEED FOR A COMPREHENSIVE APPROACH INCLUDING IMPORTING COUNTRY ADJUSTMENT PROGRAMS, AND MULTILATERAL COORDINATION AND CONSULTATION ON ANALYZING ADJUSTMENT PROBLEMS AND SHARING ADJUSTMENT BURDENS.

IV. ENERGY

ENERGY SHOULD BE COVERED BY THE OECD MINISTERIAL COMMUNIQUE, ALTHOUGH THE UPCOMING IEA MINISTERIAL MEETING, NOW ENVISAGED FOR LATE SEPTEMBER OR EARLY OCTOBER, IS THE APPROPRIATE FORUM FOR IMPLEMENTATION OF SUMMIT AGREEMENTS IN THIS AREA. WE DOUBT THAT FRENCH WILL BE ANY MORE WILLING THAN LAST YEAR EXPLICITLY TO NOTE WORK OF THE IEA. HOWEVER, AS WAS THE CASE LAST YEAR, MINISTERS MIGHT RECEIVE A REPORT FROM THE GOVERNING BOARD CHAIRMAN WHICH WOULD PLACE HEAVY EMPHASIS ON REDUCED DEPENDENCY. THE OECD MINISTERIAL MEETING THEN SHOULD ENDORSE:

-- A GENERAL STATEMENT OF COMMITMENT TO STRENGTHENED NATIONAL ENERGY POLICIES AND ENHANCED INTERNATIONAL COOPERATION THROUGH APPROPRIATE OECD BODIES AND ELSEWHERE AND

-- TO THE EXTENT POSSIBLE A SPECIFIC STATEMENT ON

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 14840 04 OF 05 192017Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01
SS-15 SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05
DODE-00 FPC-01 H-01 INT-05 L-03 NSC-05 PM-04
OES-07 STR-04 ACDA-07 NSCE-00 OIC-02 /139 W
-----192051Z 090905 /64

O 191955Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6735

LIMITED OFFICIAL USE SECTION 04 OF 05 OECD PARIS 14840

REDUCING DEPENDENCY ON IMPORTED OIL.

V. NORTH-SOUTH RELATIONS

COMING ONLY THREE WEEKS AFTER THE CONCLUSION OF CIEC, THE OECD MINISTERIAL PROVIDES AN EXCELLENT OPPORTUNITY FOR THE DEVELOPED COUNTRIES (1) TO SIGNAL THEIR POLITICAL COMMITMENT TO CONTINUED CONSTRUCTIVE DIALOGUE WITH THE DEVELOPING COUNTRIES, AND (2) SET IN MOTION INTERNAL WORK IN THE OECD TO FACILITATE LIVING UP TO THIS COMMITMENT. TO MAKE MAXIMUM USE OF THIS OPPORTUNITY, MINISTERS SHOULD DO THE FOLLOWING ON JUNE 23 (WHICH WILL BE LARGELY DEVOTED TO N/S ISSUES):

-- ADOPT A POLITICAL DECLARATION EXPRESSING THE OECD COUNTRIES' POST-CIEC APPROACH TO RELATIONS WITH THE DEVELOPING WORLD. SUCH A DECLARATION WOULD FOLLOW UP THAT MADE AT THE 1975 MINISTERIAL, BEFORE CIEC AND OTHER KEY MEETINGS HAD TAKEN PLACE.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 14840 04 OF 05 192017Z

THE SECRETARIAT IS NOT AT THIS TIME THINKING ALONG THESE LINES. OUR OWN APPROACH IS THAT SUCH A DECLARATION WOULD BE TIMELY IF AGREEMENT CAN BE REACHED AMONG THE MEMBERSHIP ON A MEANINGFUL STATEMENT CONCERNING THE POST-CIEC PERIOD AND WHICH BROADENS THE CONSENSUS AT THE SUMMIT. THE MAIN ELEMENTS OF SUCH A DECLARATION MIGHT (1) RECALL THE PROGRESS MADE IN THE IMF, THE UN, UNCTAD, AND CIEC; (2) COMMIT OECD COUNTRIES TO FURTHER CON-

STRUCTIVE EFFORTS IN ALL APPROPRIATE FORA; (3) RE-STATE THE CONCEPT OF GLOBAL INTERDEPENDENCE ON WHICH SOUND APPROACHES TO IMPROVING THE WORLD ECONOMY MUST REST; (4) INVITE OPEC AND THE EAST TO INCREASE THE AMOUNT AND/OR EFFECTIVENESS OF RESOURCE TRANSFERS TO THE LDC'S; (5) REMIND THE LDC'S OF THE ESSENTIAL NATURE OF SELF-HELP, AND OF THE ROLE OF THE PRIVATE INVESTMENT CLIMATE IN THE DEVELOPMENT PROCESS; (6) STRESS THE CONCERN OF DCS ABOUT BASIC HUMAN RIGHTS AND NEEDS; AND POSSIBLY (7) DECLARE A WILLINGNESS TO CONSIDER NEW MODALITIES FOR CARRYING THE DIALOGUE FORWARD.

-- DIRECT THE OECD, PARTICULARLY THE DEVELOPMENT ASSISTANCE COMMITTEE AND THE HIGH LEVEL GROUP ON COMMODITIES, TO FOLLOW UP AND MONITOR THE COMMITMENTS MADE IN CIEC ON DEVELOPMENT ASSISTANCE AND COMMODITY PROBLEMS. DEPENDING ON OUR OWN POSTURE WITH RESPECT TO AID, WE MAY WISH TO INITIATE A GOAL-SETTING EXERCISE FOR MEDIUM-TERM ASSISTANCE GROWTH, AS A PROD TO LAGGARD COUNTRIES TO INCREASE THEIR EFFORTS. THE DAC SHOULD ALSO CONSIDER HOW BEST TO FACILITATE DONOR COOPERATION WITH OPEC AND WHAT MIGHT BE DONE TO FOLLOW UP THE INVITATION MADE TO THE EAST. THE HIGH LEVEL COMMODITIES GROUP SHOULD WORK OUT AN OECD CONSENSUS ON AN ACCEPTABLE "COMMON FUND".

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 14840 04 OF 05 192017Z

-- COMMISSION AN EFFORT WHICH COULD DRAW, INTER ALIA, ON THE WORK OF THE "INTERFUTURES" PROJECT, TO THINK THROUGH A LONG-TERM DEVELOPED COUNTRY STRATEGY FOR NORTH-SOUTH RELATIONS. KEY SUBSTANTIVE ISSUES WHICH WOULD HAVE TO BE ADDRESSED INCLUDE WORLD MACRO-ECONOMIC MANAGEMENT, THE ROLE OF ENERGY, RAW MATERIALS, AND FOOD IN ECONOMIC GROWTH AND

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 14840 05 OF 05 192026Z

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01

SS-15 SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05

DODE-00 FPC-01 H-01 INT-05 L-03 NSC-05 PM-04

OES-07 STR-04 ACDA-07 NSCE-00 OIC-02 /139 W

-----192051Z 091091 /64

O 191955Z MAY 77

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 6736

LIMITED OFFICIAL USE SECTION 05 OF 05 OECD PARIS 14840

STABILITY, FINANCIAL AND TECHNICAL RESOURCE TRANSFERS, THE ROLE OF OPEC AND THE EAST, INDUSTRIAL ADJUSTMENT, AND LDC SELF-HELP. AN IMPORTANT PROCEDURAL ISSUE TO BE CONSIDERED IN THIS CONNECTION IS THE ROLE WHICH SHOULD BE PLAYED BY RESTRICTED DIALOGUE FORUMS MODELED ON CIEC. THIS EFFORT COULD BE ASSIGNED TO THE XCSS PERHAPS WITH A REVITALIZED NORTH/SOUTH GROUP AS ITS WORKING PARTY. ANOTHER APPROACH WOULD BE TO COMMISSION A WISE MEN'S EFFORT ALONG THE LINE OF THE MCCracken STUDY TO PRODUCE A REPORT. THIS PROPOSAL HAS THE OBVIOUS DISADVANTAGE OF CONFLICTING WITH THE CURRENT MCNAMARA PROPOSAL FOR THE BRANDT GROUP.

-- ASK THE OECD TO EXPLORE THE OPTIONS FOR A REDEFINED AND EXPANDED RELATIONSHIP BETWEEN ITSELF AND THE DEVELOPING COUNTRIES. THE IDEA OF A "LIAISON COMMITTEE" WITH INFLUENTIAL LDC'S, TO PROVIDE THEM ACCESS AND EVEN PERHAPS INPUT TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 14840 05 OF 05 192026Z

RELEVANT OECD WORK, SHOULD BE CONSIDERED. THE RELATED CONCEPT OF PERIODIC CONSULTATIONS WITH KEY LDC'S ON THE WORLD ECONOMIC OUTLOOK, MODELED ON THE INTRA-OECD ACTIVITY OF THE ECONOMIC POLICY COMMITTEE, TO FORGE A BETTER UNDERSTANDING BY LDC'S OF WORLD ECONOMIC MANAGEMENT ISSUES, SHOULD ALSO BE EXPLORED. FINALLY, THE POTENTIAL FOR SYSTEMATIC USE OF LDC "INTERNS" IN THE OECD SECRETARIAT SHOULD BE EXAMINED.

VI. EAST-WEST

-- ALTHOUGH WE HAD NOT ANTICIPATED THAT IT WOULD
BE DESIRABLE FOR THE MINISTERS TO DISCUSS THE EAST-
WEST STUDY, THE JAPANESE AMBASSADOR FELT THAT SOME
ENDORSEMENT OF THIS ON-GOING EFFORT WOULD BE
APPROPRIATE.

KATZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, MEETING AGENDA, MEETING DELEGATIONS, FOREIGN MINISTERS MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP14840
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770179-0256
Format: TEL
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770539/aaaabhrh.tel
Line Count: 556
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 28d8cc8f-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2450175
Secure: OPEN
Status: NATIVE
Subject: MISSION'S POLICY PROPOSALS FOR OECD MINIS- TERIAL MEETING JUNE 23-24
TAGS: ECON, EAID, ENRG, ETRD, US, OECD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/28d8cc8f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009